

CCB - 271 Bell Sth S.C.

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10/11/97

BellSouth Corporation
Suite 2000
1155 Peachtree Street, N.E.
Atlanta, Georgia 30309-3610

EX PARTE OR LATE FILED

F. Duane Ackerman
President and
Chief Executive Officer

404 249-4020

December 18, 1997

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The Honorable William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

CC Docket No. 97-231

Dear Chairman Kennard:

I want to thank you for seeing us on Wednesday regarding our Section 271 petition for South Carolina. The interest that you and your staff have expressed in streamlining procedures that the Commission will follow in reviewing future petitions is certainly welcomed.

We hope that the South Carolina order will give us some reason to sit down with the Commission staff and work through any concerns that the Commission might have with our subsequent petitions before they are filed. We would only ask that the Commission's staff commit to concluding such discussions within a month of their getting underway.

If this process is to go forward, the Commission will need to avoid conditioning BellSouth's entry into long distance markets on our satisfying requirements that are either beyond the Commission's jurisdiction or beyond our control. Deaveraging charges for unbundled network elements as a condition precedent for entry falls into both categories.

We understand, as local exchange markets become more competitive, the need to bring all rates – wholesale as well as retail – in line with underlying costs. However, the virtually unavoidable result of deaveraging UNE prices at the present time would be to raise local rural and residential rates. Moving all rates to costs promises to be very difficult and time-consuming. The state commissions will be hard-pressed to explain that the "benefit" of competition is a price increase.

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Honorable William E. Kennard

Page 2

Most of the state commissions in our service territory are elected, and they have resisted any action that would result in basic residential rate increases. They also, with some justification, tend to view rate deaveraging proposals as a means of giving large business users, such as a major interstate bank headquartered in Atlanta, Charlotte, or Columbia, an even larger break on its telecommunications rates at the expense of raising rates for residential and small business customers in high cost rural areas where incomes tend to be below par.

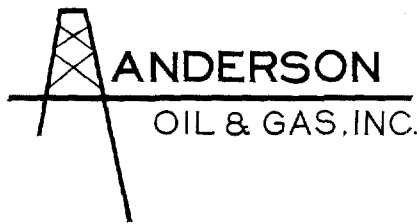
While such attitudes may change as the realities of competition become better understood, that process will no doubt take time. It also will require Federal and state regulators to put a universal service mechanism in place that will keep rates in high cost areas widely affordable.

Given all of this, we are extremely concerned that conditioning approval of our Section 271 petitions on our state commissions agreeing to deaverage UNE rates will only serve to delay our entry into long distance well beyond the date when our local markets are open to competition. Whatever the Commission's legal authority to impose such a condition, it also will do little to promote local residential competition since resale discounts will remain larger than the effective discounts on UNEs in virtually all markets. Indeed, conditioning approval on any contested state proceeding merely allows AT&T and others to delay our entry further.

We will be in touch with the Commission's staff in the next few days to determine how we will proceed. We look forward to working with you and your colleagues on this matter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Ruane Ackerman".



Anderson Exploration Energy Company, L.C.
The Carthage Partners, L.C.
The CDF Partners, L.C.
GMA Energy, L.C.

January 20, 1998

The Honorable William Kennard
Chairman, Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

CC Docket No. 97-231

Re: Application of BellSouth to Enter the Long Distance Market

Dear Chairman Kennard:

We fully support BellSouth's entry into the long-distance market, and urge you and your colleagues to expedite the process and approve their application without delay.

Since the Telecommunications Act was passed in 1996, BellSouth has diligently worked to meet the stipulated requirements for entering the long-distance market in Louisiana. During hearings before the Louisiana Public Service Commission, BellSouth demonstrated compliance with all items on the 14-point checklist.

Their networks have been opened to competitors, and they have signed resale and interconnection agreements with numerous companies that specifically want to do business in Louisiana. They demonstrated that their competitive interfaces are operational. Finally, in gaining the endorsement of the commission, BellSouth convinced the members that their plan is in the best interest of Louisiana consumers.

BellSouth has followed the specified steps for entering the long-distance market and deserved the opportunity to compete for long-distance service. The final step is gaining the approval of the Federal Communications Commission.

BellSouth has been a solid corporate citizen of this area for many years. I am confident that BellSouth's entry into the long-distance market will be nothing but beneficial for the people of North Louisiana, and for the Shreveport area. My company has conducted business with BellSouth for many years, and its entrance into the long-distance market will further strengthen the confidence we already have in BellSouth and its management.

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The Honorable William Kennard
January 20, 1998
Page 2

I understand that you have 90 days to rule on BellSouth's request. I urge you and your fellow commissioners to move quickly to BellSouth's request.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "W Brantley Anderson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

W. Brantley Anderson
Counsel

SMITH BARNEY

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EX PARTE OR LATE FILED

January 20, 1998

CC Docket No. 97-231

The Honorable William Kennard
Chairman, Federal Communications Commission
1919 M Street NW
Washington, DC 20554

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Dear Chairman Kennard:

I am a BellSouth stockholder, who, as you might imagine, is interested in the long-term growth of the company. I understand and appreciate their corporate mission and objectives and have great confidence in the leadership and management teams. If I did not believe in them, I would have selected another investment.

For the past two years, management has blazed the trail for BellSouth's entry into the long-distance market. Now, after complying with all the provisions as established with passage of the Telecommunications Act of 1996, BellSouth is poised to compete in the long-distance market. Your approval is the final hurdle for them to surmount before expanding their product line.

Foreign companies are now entering the lucrative long-distance market in America. Why should BellSouth, an American company that has provided quality services to consumers in the South for many years, be excluded from competing in this same market?

Give BellSouth the nod to further diversify their product and service offerings so that my investment will continue to appreciate.

Sincerely,



Walter E. Watts, Jr., CLU, ChFC
WEW:nl

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Dec 16 5 49 PM '97

CC Docket No. 97-231

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JAN 8 1998

December 12, 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William Kennard
Federal Communications Commission
1919 M Street N.W.
Washington, D.C. 20554

RE: Local Telecommunications Competition

Dear Mr. Kennard:

I am writing in response to a newspaper article that appeared in the Tribune Review in Pittsburgh, PA. on Saturday, November 29, 1997 from the Bloomberg News. We are a small telecommunications company that has sprouted from the Telecommunications Act of 1996. If it was not for the act we would not have this opportunity to provide competitive local exchange service. I wish to thank the Federal Communications Commission for the attempt to remove some of the barriers that would have stopped our progress.

My name is John Curry. I am a downsized telecommunications professional with 22 years with Bell Atlantic and AT & T. In October of 1995, I began to capture a vision for a Local Exchange Carrier for shared tenant services. As I began to research and build a business plan timing could not have been better for the Telecom Act. On Sept. 1, 1996 we opened our doors to provide service in the Western Pa. area. Our initial hindrance came from another CLEC who continued to meet with me to understand what we planned to offer. After delaying our entry upon false promises we began to offer LD, Regional Toll, 800, and calling card services March of 1997. Today we provide Local resale Bell Atlantic services, Regional Toll, Long Distance, International, 800, voice mail, and calling card products. This month we unveiled filtered internet access that blocks out pornographic, hate and violent sites on the WWW. We are an approved contractor with a pending bid approval for the US Air Force 911th airlift wing and will be included in the Allegheny County bidding process the first quarter of 1998. We have maintained a 25 - 30 % growth rate to 1000 customers and 3500 lines to date. Each day brings new opportunities.

Your article seemed to show a concern of why is it taking so long for small companies (like Curry) to grow and compete. From our point of view it is financial. We secured

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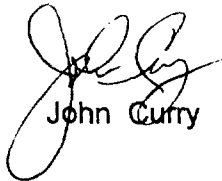
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startup capital of \$ 125,000.00, and have invested \$ 60,000 of my 401k saved through my former employer and the cash flow only seems to get tighter. Our invoice this month is \$ 80,000 outstanding bills should be around \$ 45,000 the remaining profit, but as of yet we have only hit break even on projections not on reality. We have found out the consumer is not to quick to pay their bills, and there is no safeguard to know if we just signed up a poor paying customer.

We have found it took time for us to develop a trust with the public. After spending \$60,000 on advertising this past year we have gained name recognition. We are in desperate need for a line of credit and can not secure one. The local SBA is encouraged by our approach and business plan, but the lending institutions are so conservative we are just wasting time by meeting with them. We were approached by two companies to cover their organizations with our tariffs. The first was HSS vending, a Pittsburgh based company interested in our tariffs to launch them in to the local loop, but we received counsel to stay away from this organization. The second was a Michigan company that we also did not feel comfortable to do business.

Our vision is to not stop at resale, but to become a facilities based provider to develop a template that will be franchised through out the US. If there would be support for high risk companies like ours there may be more entering the local loop. I am very open for guidance or suggestions on how we can raise capital for the cash flow. Susan and I have used all the resources we know of except for our charge cards.

Respectfully



John Curry

enc.

"USA TODAY hopes to serve as a forum for better understanding and unity to help make the USA truly one nation."

—Allen H. Neuharth
Founder, Sept. 15, 1982



David Mazarella
Editor

Karen Jurgensen
Editor of the
Editorial Page

Thomas Curley
President and Publisher

Small company competes

It's disturbing to hear USA TODAY singing the off-key and shrill long-distance tune. You bought the AT&T and MCI local-competition gripes without the slightest skepticism. And you were wrong.

Here are the facts. At Bell Atlantic, we are open for business to all competitors. In our service territory, 91 companies have asked to offer local service since the passage of the telecommunications act. They range from MCI, who just announced it will initially serve an exclusive class of New Jersey business customers, to Curry Communications in Pittsburgh. There, a husband-and-wife team are reselling Bell Atlantic's local service out of their small office at competitive prices.

If John and Susan Curry can compete with Bell Atlantic, why can't AT&T and MCI? The long-distance Goliaths obviously want a valuable commodity for nothing.

For the most part, state regulators have handed these companies reasonable cost-based rates for buying our service or connecting with our networks. Moreover, Bell Atlantic and NYNEX are leading the local telecommunications industry by making local access even easier. We are doing so without raising local rates, and we have frozen many rates more than 10 years.

AT&T can't make the same claim. It's time for AT&T and MCI to stop their incessant whining designed only to block our legitimate entry into the long-distance business. Consumers deserve real choices for all services — long distance and local.

We've waited far too long. America's consumers have as well.

James G. Cullen, vice chairman
Bell Atlantic Corp.
Arlington, Va.

BUSINESS

PITTSBURGH POST-GAZETTE ■ SUNDAY, JULY 20, 1997

BIG TALK

Local phone competitors like Curry are what telecom bill had in mind

By Ken Zapinski
Post-Gazette Staff Writer

EAST PITTSBURGH
From an old bank building built in this corner of the world's better days, John and Susan Curry are reshaping the U.S. economy one telephone number at a time.

The husband-and-wife entrepreneurs from Monroeville are who federal lawmakers had in mind when they crafted the Telecommunications Act of 1996. The legislators' intent was to increase competition in the telephone industry, and the Currys are using the federal law to do exactly that.

Their company purchases Bell Atlantic-Pennsylvania Inc. service at wholesale rates. Then they resell it to customers, line by line, under the Curry Communications Inc. brand name at prices that undercut Bell's.

The Currys' story is no different from tales of entrepreneurial struggle anywhere, with one notable exception. Would-be business magnates, limited only by their vision and their appetite for risk, could always try to sell a better mousetrap, but they could never try to sell a better phone call.

Now, as the Currys demonstrate, that same competitive vigor is beginning to creep into the \$100 billion-a-year local telephone market. And the Currys' effort hints at what telecommunications reform can mean for consumers as well as the economy.

When Philadelphia-based Bell Atlantic restructured John Curry's job out of existence in 1995, he could have moved to Maryland or somewhere else. Instead, he chose to stick around Western Pennsylvania.

Now, on the second floor of an old Mellon Bank building rechristened the "Mon Valley Industrial Workshop," Curry, 42, directs the company's three salaried employees and its 20 commission-only account executives. Their product: phone service over Bell Atlantic lines at five percent off Bell Atlantic's prices.

"We are 100 percent local. We are in Allegheny County, and we are creating jobs in Allegheny County," Curry said. "We're here to help a tax base as well as economic opportunity in this region."

Curry's proclamation might seem overblown. But industry experts like to point to an example close to home to demonstrate the economic benefits of competition: the deregulation of the long distance phone market.

Long distance calls are cheaper now than they were before the Bell System breakup in 1984 and the sound quality is better. MCI Communications Corp. and Sprint Corp. were once upstarts. Now they are major corporations whose success have spawned a host of smaller companies. And where the country once had a single network of telephone lines linking coast to coast, it now has four — along with the crews needed to build and maintain them.



Phone service reseller ekes out a living from Bell discount

CURRY FROM PAGE C-1

It's not just mom-and-pop companies Curry Communications that are trying to break into the local market. Bell Atlantic has signed agreements with 22 other companies allowing them to use all or part of its network of lines, switches and computers to provide local service in Pennsylvania.

Those companies include MCI and Teleport Communications Group, a collaborative effort by cable giant Tele-Communications Inc. and three other cable providers.

Bell Atlantic must cooperate with its competitors because federal lawmakers require it. To foster competition in the telephone industry, the Telecommunications Act requires Bell Atlantic to sell competing companies access to every aspect of its phone system. That includes everything from the lines going into peoples' homes to telephone poles, directory-assistance operators and listings in the phone book.

Some companies might need access to all of those items. Others, even those building separate networks of their own, need access to some of them, at least until their new systems are completely in place.

Federal officials left it up to individual states to set the access charges. The Pennsylvania Public Utility Commission finalized its price list two weeks ago in a controversial 3-2 decision that pleased no one.

Companies looking to move into the local phone business think the prices are too high. So does PUC Commissioner John Hanger, who voted against it.

"While this case has a lot of numbers and arcane arguments, the result of this commission's numbers will unfortunately be much more real and practical," Hanger said. Telecommunications companies, he said, "will target investment and jobs to those jurisdictions that genuinely and reasonably open their local phone markets to competition. Investment will go first to the greenest pastures...."

"Pennsylvania may well look to those companies planning

new communication investment more like my brown, sun-scorched, sloping front lawn than a green, level playing field."

Just before the July 10 PUC vote, AT&T Corp. and an industry coalition warned that a wrong move could cost the Pennsylvania economy thousands of jobs and hundreds of millions of dollars in capital investment.

After the vote, AT&T executives acted quickly to let people know they thought the PUC blew the call. "In light of today's ruling, our investment decisions for Pennsylvania will have to be re-examined," said Jim Ginty, the long-distance company's vice president for government affairs.

Bell Atlantic, on the other hand, said the rates are so low that it will end up subsidizing the companies that want to steal its local phone business.

And Chairman John Quain said the PUC-set prices represent a discount of nearly 50 percent off Bell Atlantic's business rates, leaving plenty of room for would-be competitors to make a profit.

The PUC's prices are low enough for the Currys. Their company purchases regular Bell Atlantic service at a PUC-mandated discount of 18.43 percent off the regular retail rates. Curry, in turn, resells that service to residences and businesses at 95 percent of Bell's rate.

Put another way, the monthly service that costs you \$100 can be purchased by the Currys for \$81.57. They sell it to you for \$95. From the remaining \$13.43 come items such as the sales commissions, the cost of billing customers, office rent and advertising.

John Curry said there will be enough left over to leave a profit because his operation is more efficient and has less overhead. Part of a Bell customer's monthly bill goes to the company's headquarters building in Philadelphia, he said. "We like it here," he said, looking around his modest surroundings.

Curry started a career in the old Bell System in 1973 as an international operator the day after he graduated from Pittsburgh's Allegheny High School. He moved up to directory assistance and by the end of his 22-year-career had risen to engineer.

When Curry's job disappeared, he made the jump from corporate cog to entrepreneur. He expanded an office-furniture painting business he started in his spare time. But within a few months, Curry was back to telephones.

Curry believed a technologically

adept company with an emphasis on customer service could lure customers away from Bell. He and his wife developed a business plan and went looking for capital.

They raised \$250,000 from savings and from loans from the Community Loan Fund of Southwestern Pennsylvania, the Allegheny Department of Development and People's Bank of Unity.

"I knew John was a really smart guy," said Jerry Garner, who left a job at PPG Industries Inc. to become vice president of sales at the fledgling company owned by his one-time neighbors. "If it could be done, he could do it."

Garner said the company, which signed up its first customer in January, is growing 25 percent a month. Curry Communications advertises via endorsements by Fred Honsberger on KDKA-AM (1020) and on Christian radio station WORD-FM (101.5). Garner said the ads emphasize the company's discount long-distance rates rather than its local phone service.

"I'm not going to discuss the number of customers, but we're very happy with what we have," Curry said.

Potential customers can be skittish. They want to know what the catch is. "We get that all the time," Curry said.

One man who ordered service from Curry later backed away after a Bell Atlantic customer-service representative told him the company could not provide him with local service.

"Unfortunately, that did happen," Bell spokesman Paul Miller said. "It's been corrected."

He said Curry Communications is not only a competitor but also a customer, albeit one that buys at a discount. Miller said Bell Atlantic is anxious for local competition because that is one of the requirements the company must meet before the Federal Communications Commission will permit it to compete in the lucrative long-distance market.

Some day down the road, Curry said, his company will invest in its own switches so it can offer more advanced telecommunications services than Bell Atlantic offers. For now, the Currys work long hours, just to let people know that Bell isn't the only choice anymore. Even their 14-year-old son, Brian, helps out after school and on weekends.

Despite the cutting-edge nature of their business venture, John and Susan Curry are just like any other small-business owners trying to realize a dream.

"I'm pretty close to poverty right now because I put everything I have back into the business," John Curry said.

John Curry's ultimate 'grandiose scheme'

By DANIEL BATES

After getting downsized out of a job at Bell Atlantic Corp., John Curry is taking on his ex-employer with his own local phone company, Curry Communications Inc.

Pittsburgh native John Curry was always coming up with business ideas—so many, in fact, that his wife, Susan, once gave him a decorative ceramic jar labeled: Grandiose Schemes.

Little did he know at the time that one day the jar would seem much too small to hold his idea for a local telephone company that would compete against his former employer, telecommunications giant Bell Atlantic Corp.

Today, he keeps that jar above his desk in his office at Curry Communications Inc., a subtle reminder of this, his ultimate grandiose scheme.

Curry, now 42, started working for Bell in 1973 as an overseas operator. Over the years, he held "20 to 30" different jobs within the company, including directory-assistance operator and conductor of job evaluations in the human-resources department. Most recently, he

served as an engineer who designed cabling and circuits.

Curry packed his 22 years of service into a box only a few days before he got the inevitable notice that his job was being eliminated, along with six others in his department.

"I was so sure that I cleaned my desk out the day before Memorial Day," Curry says. The notification followed on May 31, 1995.

Curry is careful not to show bitterness, but he admits the sudden reality of knowing he wouldn't retire at Bell was difficult to take.

"You put in 12 to 15 hours a day because you're afraid of losing your job, then you lose your job anyway," he says, shaking his head.

But it also prepared him well for what would become the biggest career change of his life, a point which doesn't go unrecognized.

"I was very grateful that they trained me for 22 years to embark on my new career," Curry says in an effort to put a more positive slant on his transitional circumstance.

Initially, however, his new career had little to do with telecommunications. He and a partner purchased equipment to electrostatically paint office furniture. That effort was short-lived as Curry eventually concluded, "That was not where my training was in."

By the waning hours of New Year's Eve 1995, Curry and his wife had completed the first draft of his business plan. It called for a company that would eventually offer local toll service as well as everything from dial tone to long-distance service and even calling cards to residential and business customers.

Taking on Bell with his own telephone company even with 22 years of experience—is a gutsy move. So as his wife Susan says, "That was more logical than electrostatic painting."

That's not to say she, who would become his partner in the effort, wasn't nervous. "It was scary," she admits. "My concern was for him because, for a man, I think job defines who they are. But he has an entrepreneurial mind. He looks at things as an opportunity."

In Curry's situation, the opportunities are clear, thanks mainly to the passage of the Telecommunications Act of 1996, which cleared the way for competing local phone companies against the Bells of the nation.

Curry Communications isn't alone. Sprint in January announced its own plans to begin offering local toll services to businesses in Pennsylvania. "Local toll service is Sprint's next step toward offering a total telecommunications package to meet our customers' needs," says Sentell, Sprint's vice president of business markets, in a prepared statement.

Meanwhile, TotalTel USA Communications also offers local toll service to businesses, providing flat pricing, regardless of time of day or distance. All according to Bell Atlantic, at least 20 companies have been given authorization to offer regional toll service in the Pittsburgh area.

Says Shirley Risoldi, a spokeswoman for Bell Atlantic, "What we're seeing is the result of the Telecommunications Act of 1996, which opened the door to competition. We now resell services to competitive discounted rates. ... But the bottom line is we support competition."

Operations

Curry runs the operation along with his wife, maintaining 51 percent ownership in Curry Communications. The company operates from the leased second floor of a former bank branch office across the street from Keystone Commons (the former Westinghouse plant) in Turtle Creek. That office is all that Curry has thus far since he leases telecommunications infrastructure from the likes of Bell and other large telephone service providers.

Such leasing arrangements themselves, Curry concedes, have proven to be the greatest struggle for start-up to date. While Bell does cooperate with Telecommunications Act-mandated competitive guidelines, Curry says the paperwork and complex transactions can be cumbersome and frustrating.

But such frustration doesn't compare to the pro-



Curry Communications Inc. at a glance

ready for Curry in August, "then September and then October," he recalls.

"Then, around January '97, they said, 'I don't think we can do it,'" he adds. When TCG finally agreed, he says, the service worked fine until they all realized that TCG couldn't, as Curry puts it, provide billing information. Curry now uses another, unnamed carrier—one that can provide billing information.

Curry Communications does have a vice president of sales and marketing, who oversees a few sales representatives and at least 18 independent reps. Still, Curry himself, along with his wife, answers many of the customer calls and plans to continue doing so until the volume of business dictates the need for additional staff.

Financing

Curry will not disclose any specific numbers, but he says the start-up has been financed through personal savings, as well as low-interest loans from the Allegheny County Department of Economic Development and the Community Loan Fund of Southwestern Pennsylvania. He also secured a general business loan from the former Peoples Bank of Unity. He says he went after roughly \$250,000 in financing altogether.

Curry says he has no equity outstanding.

Sales to date

Again, Curry won't discuss specific sales figures. The company has been selling its services since early this past spring, after securing its tariffs with the state Public Utility Commission.

Sales strategy

While Curry insists he really isn't competing against any other phone company, his main strategy is to offer simple-to-follow flat-rate services, with local service rates always remaining 5 percent cheaper than Bell Atlantic's.

"Our basic strategy is to keep it simple," Curry says. "[Bell Atlantic] has developed such a complex, cumbersome dinosaur that they believe only they can figure out, and it's our goal to make things easier to understand."

Curry Communications is tariffed to sell a number of different services. "My tariffs allow me to pull pieces from multiple parts of the industry and bring them together under one roof," he says.

Among the current rates: regional toll service at 9 cents a minute; long-distance service at 13 cents a minute; calling cards at 19 cents a minute; and an 800 number at 13 cents a minute.

In addition, the company bills customers based on 16-second intervals, with an 18-second minimum, rather than per minute, and without any surcharges.

Curry is selling the service to anyone, residential or commercial, who will buy

it locally and elsewhere—or, as he quips, "Anyone with a telephone."

Marketing

Curry touts the fact that he requires no long-term contracts, and his services contain no small print or service fees. When his sales staff either calls potential customers or people call the office for inquiries, neither Curry nor the sales staff will attempt to close any sales over the phone. They simply tell the prospects to wait for the information to be faxed or mailed so they can see the service offerings in writing.

As Curry stresses repeatedly concerning his main marketing strategy, "Telecommunications has a lot of technology, but it doesn't always have integrity. We are bringing integrity into telecommunications."

He conveys that message via radio advertisements on KDKA Radio, where radio personality Fred Honsberger endorses the service, and on WORD-FM, the Christian-oriented radio station. The message of simplicity and integrity also comes through clearly in the company's glossy, full-color brochure, which was designed by Harr-Henderson Design in Pittsburgh.

Among the marketing lessons Curry has learned is that he had more success in the early months by offering the specific regional toll service and focusing on that facet of the business only. When the company added services and "felt the need to tell the world everything we offered," he notes, "the phones were not ringing as they had been."

His conclusion: He's better off sticking with one service in the initial sales and developing customer relationships before trying to sell them a whole menu of services.

Market outlook

"I see it as limitless," Curry is quick to point out. "We have probably upwards of 2 million consumers we can provide service to here."

Indeed, anyone with a telephone becomes a potential customer, although Curry does acknowledge the growing number of aggressive competitors quickly joining the ranks, some of them with deep pockets.

Greatest challenge

Curry says he wants his company to remain agile, "wiry" and unpredictable, something he can get away with easily as a small company with only a few employees. Ultimately, though, he plans to develop a model for a small telephone company that can be spun into franchises to be sold across the country.

But his greatest hurdle in the short term, he says, is much more basic: "I see our biggest challenge as developing a trust in the consumer—to let us serve them."

For better or for worse, he's not alone. **SBN**

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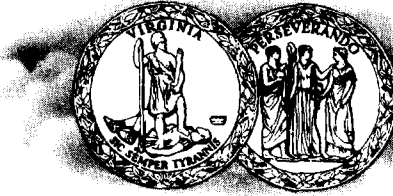
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STATE CORPORATION COMMISSION

EX PARTE OR LATE FILED

January 12, 1998

CC Docket No. 97-231

Mr. William Kennard, Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RECEIVED

JAN 14 1998

CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VA 23218-1197

JAN 14 5 48 PM '98

Re: AT&T Corp. v. Bell Atlantic Corp.
File No. E-98-05

Dear Chairman Kennard:

It has come to our attention that the above-referenced complaint, asserting that Bell Atlantic has not complied with the terms of its merger with NYNEX, asks the FCC to (1) declare that Bell Atlantic's proposed recurring and nonrecurring rates for unbundled network elements in Virginia are improper; (2) require Bell Atlantic to rerun its cost studies to comply with asserted costing errors; and (3) require Bell Atlantic "to amend its interconnection agreements to reflect appropriate TELRIC-compliant rates."

This letter is not intended to comment on whether Bell Atlantic has met any of the conditions established by the FCC regarding its merger with NYNEX. Irrespective of that, however, we strongly urge the FCC not to accept the invitation presented by the complaint to infringe upon the authority Congress gave to the States, under § 252 of the Telecommunications Act of 1996 ("Act"), to set prices and to approve or reject interconnection agreements. Nothing in that section gives the FCC any authority to order the amendment of State-approved interconnection agreements.

In Virginia, the State Corporation Commission has assiduously fulfilled its responsibilities under the Act and will continue to do so. The Commission has approved over fifty

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Mr. William Kennard
January 12, 1998
Page Two


interconnection agreements, many involving Bell Atlantic. Under § 252(e)(6) of the Act, the exclusive remedy for any party aggrieved by our determinations is to seek review in the United State District Courts, and carriers and have not been hesitant to express their grievances in that forum.

Moreover, our Commission has pending before it a proceeding in which permanent prices for Bell Atlantic-Virginia's unbundled network elements will be established. Without addressing the propriety of Bell Atlantic-Virginia's *proposed* rates, the Commission is satisfied that the voluminous evidence we have received (including evidence from Bell Atlantic-Virginia, AT&T, MCI and numerous other entities) will enable us to endeavor to establish prices for Bell Atlantic-Virginia that will be in full compliance with the requirements of the Act, as is our duty.


Sincerely,



Clinton Miller, Commissioner



Hullahen Williams Moore, Chairman



Theodore V. Morrison, Jr., Commissioner

CM:cc

cc: Michael E. Glover
James F. Bendernagel
Mark C. Rosenblum

166-22, BellSouth Entry in LA



DOCKET FILE COPY ORIGINAL

EX PARTE OR LATE FILED

ELLEN HAZEUR-DISTANCE
COUNCILMEMBER, DISTRICT E

The Council
City of New Orleans

CITY HALL, SUITE 2W60
1300 PERDIDO STREET
NEW ORLEANS, LA 70112
(504) 565-6305

RECEIVED

JAN 30 1998

December 30, 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable William Kennard, Chairman
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

CC Docket No. 97-231

Dear Chairman Kennard:

As the newly appointed Chairman of the Federal Communications Commission, I understand that one of the issues you and your colleagues will address is BellSouth's application to enter the long distance market in Louisiana. I support BellSouth's entry into the long distance market as an important step which will foster robust competition in all sectors of the telecommunications industry. BellSouth's entry into the long distance market will in turn stimulate investment by other providers in the local telecommunications market.

New Orleans and the rest of Louisiana need the development of a state-of-the art telecommunications infrastructure to insure economic growth in the future. I endorse the findings and recommendation of the Louisiana Public Service Commission that BellSouth should be allowed to compete in the long distance market.

I hope that the Federal Communications Commission will concur and approve an application by BellSouth which will have a significant positive impact on the economic future of New Orleans.

Sincerely,

Ellen Hazeur-Distance

Ellen Hazeur-Distance
Council Utility Committee

EHD/JMF/mb

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RECEIVED # 7/11/97



JAN 8 1997

FEDERAL COMMUNICATIONS COMMISSION

SUN

WASH DC 20541

**The Public Service Commission
State of South Carolina**

Handwritten notes:
+ P. 1110
FYI
WTK

PHILIP T. BRADLEY
COMMISSIONER, FOURTH DISTRICT
VICE CHAIRMAN

December 16, 1997

P.O. DRAWER 11649
COLUMBIA, S.C. 29211
(803) 737-5220

EX PARTE OR LATE FILED

The Honorable William E. Kennard
Chairman, Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Handwritten: CC Docket No 97-231

Dear Chairman Kennard:

I greatly appreciated the time you gave me on December 9, 1997, to discuss the BellSouth 271 Petition that is before you.

As you are aware South Carolina approved BellSouth's application to provide in-region interLATA service. After examining all the evidence and hearing the witnesses both direct and under cross, I believe we made the correct decision. In the event you, the Federal Communications Commissioners don't agree, I feel it is important that we have a clear and concise avenue to move forward with this issue.

I look forward to working closely with you and be assured that South Carolina will use its authority to see that the system is properly and timely enhanced. As we are asking this for our consumers, we are also telling you that the South Carolina Public Service Commission we will not shirk its responsibility and will live up to the faith and trust placed with us.

It was very encouraging to hear your comments concerning a shared responsibility with the states and commitment to work together.

Thank you again for your time and courteousness.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Bradley".

Philip T. Bradley

PTB:ep

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Handwritten: 041

DOCKET FILE COPY ORIGINAL

EX PARTE OR LATE FILED

PEGGY WILSON
COUNCILMEMBER AT LARGE

The Council
City of New Orleans

CITY HALL, SUITE 2W40
1300 PERDIDO STREET
NEW ORLEANS, LA 70112
(504) 565-6335
FAX (504) 565-7655

January 20, 1998

CC Docket No. 97-231

The Honorable William Kennard, Chairman
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

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JAN 30 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

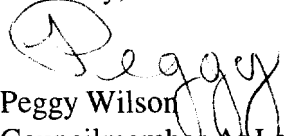
JAN 22 11 29 AM '98

Dear Chairman Kennard:

Congratulations on your appointment as Chairman of the Federal Communications Commission. I am sure that you will agree that one of the most important goals of the Telecommunications Act of 1996 is to foster robust competition in all sectors of the telecommunications industry. That is why I am writing you now in support of BellSouth's application to enter the long distance market in Louisiana.

The Louisiana Public Service Commission has examined the issues and has found that all statutory requirements have been met and that BellSouth's entry into long distance will serve the public interest. As a public official with an abiding interest in the economic future of New Orleans, I believe that BellSouth's presence in the long distance market will also stimulate competition throughout the local telecommunications industry.

Sincerely,


Peggy Wilson
Councilmember At Large

PW/KM/mb

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JAN 9 8 1998

Todaro & Associates, Inc.
3445 N. Causeway Blvd. Suite 322
Metairie, LA 70002
504-830-4735 FAX 504-830-4704

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JAN 23 5 12 PM '98

EX PARTE OR LATE FILED

January 16, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

CC Docket No. 97-231

Dear Chairman Kennard:

As a friend and business associates of a BellSouth employee, I am well aware of the telephone company's request to enter the long-distance market in Louisiana. I also understand that Congress developed certain requirements local telephone companies must meet before they are allowed to do so, and I believe from everything I have read in the newspaper and heard from people who work in the industry that BellSouth has met these requirements. It seems only fair to let them enter the market without further delay.

As a consumer, I believe I will benefit if BellSouth is allowed to compete for my long distance service. I don't make a lot of long-distance calls and I read that if BellSouth is allowed to provide long-distance service, it will lower my rates by 5% - no matter how many or how few long-distance calls I make. That's real savings I can count on.

Furthermore, it makes sense to me that when Bellsouth becomes a full service provider - offering both local and long-distance service - that the long-distance companies will want to do the same. That will give consumers even more choices and will enable them to shop around for the best local and long-distance service prices or pick one company to handle all their needs.

Finally, Bellsouth is a good company to its employees, its customers and the community. It generates high-paying, quality employment for thousands of Louisiana citizens, it provides top notch service to millions of customers and it is a good corporate citizen, participating in numerous charitable endeavors.

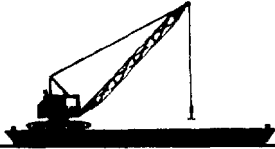
I urge you, Chairman Kennard, to approve BellSouth's request and let them compete in the long-distance market. Nothing but good will come of it.

Sincerely,


Angela Todaro

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ATHENA CONSTRUCTION
ENGINEERS • CONSTRUCTORS

P.O. Box O, MORGAN CITY, LOUISIANA 70381 504 / 384-5724 FAX: 504 / 384-5724

January 20, 1998

EX PARTE ON LATE FILED

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

CC Docket No. 97-231

Dear Chairman Kennard:

As you continue to examine BellSouth's long-distance application for the state of Louisiana, I urge you to consider the needs of the citizens who will benefit most from your approval of that application.

My company is located in St. Mary Parish, which is one of 17 parishes (or the equivalent of a county) that are split by an arbitrary calling zone or LATA boundary. As such, consumers and businesses in this area cannot take full advantage of discounted local calling plans. These optional plans, which were developed by our state public service commission, provide discounts of up to 70 percent on long-distance calls placed within the parish. As St. Mary Parish is covered by this imaginary line, our citizens and businesses are penalized from receiving the full benefits they deserve.

I heartily believe that the first step in removing this onerous restriction is to allow BellSouth to provide long-distance service in Louisiana. Their entry into long distance will encourage the long distance carriers and others to enter the local residential service market on a broad scale. Only then will full competition exist in both the local and long-distance business, and only then will these boundary restrictions fall by the wayside.

In addition to speeding up the removal of the LATA boundary restriction, competition by BellSouth will spark long-distance service price reductions and increase the number of real choices consumers and businesses have for telephone services. These are the kinds of benefits the citizens of St. Mary Parish deserve.

Our community has been disadvantaged long enough. I urge you to approve BellSouth's request and let them compete in the long-distance business in the state of Louisiana.

Sincerely,

Athena Construction

Drake D. Stansbury
President

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3445 N. Causeway Boulevard Suite 301
Metairie, Louisiana 70002

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JAN 20 1998

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20541

EX PARTE OR LATE FILED

January 19, 1998

CC Docket No. 97-231

The Honorable William Kennard
Chairman, Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Dear Chairman Kennard:

It has been nearly two years since Congress passed legislation opening the telecommunications market, yet the market is still not open. BellSouth is attempting to change that by seeking your approval to compete for long-distance service in Louisiana.

Consumers want more choices. We want to select our local, long-distance, wireless, and Internet access providers from an array of possibilities. In addition, we want the opportunity to choose one provider that can handle all of these services for us. Right now, our choices are extremely limited, and it is impossible to find a single provider of all services.

Even though this legislation became effective two years ago, few new players have gained permission to enter the market. When will new players actually be allowed in ALL markets? Since Congress has opened the market, why do we not have more choices?

It is time to turn Congress's promise of an open market into reality, and the place to start is by approving BellSouth's application for Louisiana.

Sincerely,

Katy Dongieux

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EX PARTE OR LATE FILED

DOCKET FILED

4720 Bright Street
New Orleans, Louisiana 70127
January 14, 1998

JAN 23 5 13 PM '98

CC Docket No. 97-231

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The Honorable William Kennard
Chairman, Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

JAN 23 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE CLERK

Dear Chairman Kennard:

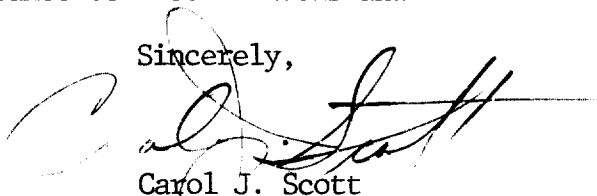
I hope that the proposed merger between two major telecommunications players will not be approved until local telephone companies like BellSouth are allowed to compete in the long-distance market.

Consumers will not benefit from this proposed merger because the resultant company will maintain its focus on business customers. In addition, the merger will reduce the number of players in the existing long-distance market.

On the other hand, consumers like me will benefit from BellSouth's presence in the long-distance market. As competition increases, prices decrease and product and service innovation occurs. Consumers will have more options from which to choose. Also, with BellSouth's current lines of business, we will finally have the opportunity to select a single provider for all of our communications needs. With BellSouth's addition to the long-distance market, there would be less concern about losing another provider to the merger.

To realize the full benefits of the Telecommunications Act of 1996, all companies need to be allowed to compete in all markets before mergers occur. Start by approving BellSouth's application to expand into offering long-distance service in Louisiana.

Sincerely,



Carol J. Scott

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01



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Post Office Box 1723 • Shreveport, Louisiana 71166
318-221-0712 • Fax 318-221-7366

JUN 23 5 15 PM '98

CC Docket No 97-231

January 19, 1998

The Honorable William Kennard
Chairman
Federal Communications Commission
1919 M. Street NW
Washington, D.C. 20554

RECEIVED

JAN 20 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Chairman Kennard:

Thank you for the opportunity to express my support BellSouth's request to be a long-distance service provider in the state of Louisiana. As an involved citizen, I believe allowing our local telephone company a chance to compete with national long-distance carriers is in the best interest of Louisiana consumers.

My involvement with the Sports Foundation and the Independence Bowl enables me to see on a daily basis how competition drives individuals and teams to excel and be the best they can be. My involvement with the community has shown me that this is true for small companies and large corporations as well. When someone else enters your business, you improve your performance so you can remain a winner. In my opinion, the real winner will be the consumer who will get a better product for less money. It's that simple.

Chairman Kennard, unleash competition in Louisiana and let consumers be the real winners. Please approve BellSouth's request.

Sincerely,

Glen Krupica
Executive Director

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DOCKET # 97-231 ORIGINAL

RECEIVED DATE 01/13/98 FILED

JAN 13 1998

Date 1-13-98

JAN 23 5 15 PM '98

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

The Honorable William Kennard
Chairman, Federal Communications Commission
1919 M Street NW
Washington, DC 20554

CC Docket No. 97-231

Dear Chairman Kennard:

I understand that you are in the process of reviewing BellSouth's application to enter the long-distance service market in the State of Louisiana. As a BellSouth employee, I welcome the opportunity to bring additional choices and lower prices to our customers. I respectfully urge you to approve BellSouth's request.

Granting our request will enable us to expand services to our local customers. Consumers will finally have the option of consolidating all communications services with one provider and enable them to receive a single monthly bill. It would also stimulate some of the large long distance companies to offer local service to their customers as well. Regardless of who the customer ultimately selects as their provider, the customers win.

In addition, as other providers come into our area to compete, they will need to build infrastructure and invest in our community. Attractive jobs will be created in both the construction and service segments, further fueling our economy. Even though they are competitors, I personally welcome this economic growth because it's good for our area of the state which only emerged from a recession a few years ago.

Chairman Kennard, please consider our application very carefully and approve it without further delay. It's time to bring true competition to the local and long distance telephone service industry.

Sincerely,



2449 Coburn Lane

Shreveport, La. 71107

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JAN 23 5 16 PM '98

January 18, 1998

JAN 18 1998

The Honorable William Kennard, Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 97-231

Dear Chairman Kennard:

My father is a retired BellSouth employee and my brother-in-law is an active employee. They both live in the community and are very active as most BellSouth folks are. I know that BellSouth has an application before you that will allow them to enter the long-distance business. I am writing to ask you approve their application promptly.

BellSouth deserves the opportunity to get into the long-distance business. The Louisiana Public Service Commission acknowledged that they met all the federal tests and requirements to get into the business. They also determined that it was in the public's best interest for BellSouth to compete for long-distance service now.

Now, all that is needed for true competition to begin in Louisiana is for the Federal Communications Commission to approve BellSouth's application. Then I, along with other consumers, can begin to enjoy lower long-distance prices that competition will bring. I urge you and the other commissioners to approve the BellSouth application now.

Yours truly,



Mike Adams
8171 Colquitt Rd.
Keithville, LA 71047

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January 17, 1998

JAN 20 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

JAN 23 5 16 PM '98

Honorable William Kennard, Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

CC Docket No. 97-231

Dear Commissioner Kennard:

I am writing this letter to urge you to approve BellSouth's application to enter the long-distance market in Louisiana.

I have relatives that are BellSouth employees, therefore, I am up to date on the events that have taken place. The Louisiana Public Service Commission reviewed the matter for over six months and concluded that BellSouth should go forward with their application to the F.C.C.

By now, you have heard all of the reasons why BellSouth should be allowed into the long-distance business. I'm interested in lower prices, more services, and the ability to do business with one company for all of my communications needs. The best reason is that, it's the fair and right thing to do. Let Louisiana be the first to benefit and enjoy true long-distance competition by approving their application now.

Yours truly,



Mike Kirkpatrick
9790 Monticello Dr.
Shreveport, LA 71118

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